

MARIA ELLENA CHAVEZ-RUARK, U.S. BANKRUPTCY JUDGE

Evidentiary Hearing: YES
Exhibits Filed: YES

PROCEEDING MEMO – CHAPTER 7

Case: 24-00007-MCR

Date: 07/03/2025 at 10:00 a.m.

Brian King, et al. vs. Roger Schlossberg, in His Official Capacity as Chapter 7 Trustee of the Bankruptcy Estate of Gregory B. Myers

Appearances: Maurice Belmont VerStandig, counsel for Plaintiffs
Frank J. Mastro, counsel for Defendant
L. Jeanette Rice, Office of the United States Trustee

Also present: Roger Schlossberg, Defendant/Chapter 7 Trustee
Gregory B. Myers, Debtor (pro se Debtor)
Brian King, Plaintiff

[17] Application to Compromise Controversy with King Plaintiffs, Filed by Roger Schlossberg. (Attachments: # 1 Notice of Motion # 2 Proposed Order # 3 Certificate of Service # 4 Certificate of Service # 5 List of All Creditors)

[19] Preliminary Objection to the Trustee's Motion for Approval of Proposed Compromise and Settlement with King Plaintiffs on behalf of Gregory B. Myers Filed by Gregory B. Myers (related document(s)17 Application to Compromise Controversy filed by Defendant Roger Schlossberg). (Attachments: # 1 Exhibit A # 2 Exhibit B # 3 Exhibit C # 4 Exhibit D # 5 Exhibit E # 6 Exhibit F # 7 Exhibit G)

[22] Supplement to Gregory B. Myers's Preliminary Objection to the Trustee's Motion for Approval of Proposed Compromise and Settlement with King Plaintiffs Filed by Gregory B. Myers (related document(s)17 Application to Compromise Controversy filed by Defendant Roger Schlossberg, 19 Objection filed by Debtor Gregory B. Myers). (Attachments: # 1 Exhibit H # 2 Exhibit I)

[20] Motion to Strike Debtor's Objection to Trustee's Motion for Approval of Proposed Compromise and Settlement with King Plaintiffs Filed by Roger Schlossberg.(related document(s) 19 Objection filed by Debtor Gregory B. Myers) (Attachments: # 1 CMECF Mailing Information # 2 Proposed Order)

[23] Response on behalf of Gregory B. Myers Filed by Gregory B. Myers (related document(s)20 Motion to Strike Debtor's Objection to Trustee's Motion for Approval of Proposed Compromise and Settlement with King Plaintiffs filed by Defendant Roger Schlossberg).

[24] Response on behalf of Roger Schlossberg Filed by Frank J. Mastro (related document(s)23 Response filed by Debtor Gregory B. Myers, 20 Motion to Strike Debtor's Objection to Trustee's Motion for Approval of Proposed Compromise and Settlement with King Plaintiffs filed by Defendant Roger Schlossberg). (Attachments: # 1 Mailing Information)

COMMENTS:

The Court concluded that that the overwhelming evidence is that:

- the proposed settlement does not fall below the lowest point of reasonableness;
- the Trustee has exercised sound business judgment in entering into the proposed settlement;
- the proposed settlement is in the best interest of the bankruptcy estate and all parties in interest; and
- the proposed settlement should be approved under Bankruptcy Rule 9019(a).

Counsel for the Trustee will prepare a proposed order granting the settlement motion and approving the settlement. The order will expressly include the four settlement terms:

1. The King Parties will pay to the Trustee, for the benefit of the Debtor's bankruptcy estate, the sum of \$150,000 to redeem the entirety of the bankruptcy estate's interest in Goldsboro LLC and settle the instant adversary proceeding.
2. After the King Parties pay \$150,000 to the Trustee, the King Parties and the Trustee will file a stipulation in the adversary proceeding dismissing all claims therein with prejudice.
3. The King Parties will reimburse the Trustee for all reasonable legal fees and expenses that the Trustee incurs in connection with the litigation of any appeals taken or motions for reconsideration filed by any party in connection with the Trustee's settlement motion.
4. The King Parties' three claims filed in the main bankruptcy case at Claim Nos. 21, 22, and 23 are deemed withdrawn effective when the order becomes final and non-appealable.

As part of the settlement, the King Parties are withdrawing their claims filed in the Debtor's main bankruptcy case, Claim Nos. 21, 22, and 23. Therefore, the Debtor's objections to those claims are overruled as moot.

The Court will have a transcript of its ruling prepared and docketed for the convenience of the parties.

DISPOSITION:

Oral ruling given. Trustee's settlement motion granted and Trustee's counsel will prepare the order granting the motion. Debtor's objections to claims overruled as moot and Court will prepare the order overruling the objections.